



# PRESS RELEASE

Federal Deposit Insurance Corporation • Each Depositor insured to at least \$250,000

FOR IMMEDIATE RELEASE  
December 17, 2010

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## **Farmers & Merchants Savings Bank, Manchester, Iowa, Assumes All of the Deposits of Community National Bank, Lino Lakes, Minnesota**

Community National Bank, Lino Lakes, Minnesota, was closed today by The Office of the Comptroller of the Currency, which appointed the Federal Deposit Insurance Corporation (FDIC) as receiver. To protect the depositors, the FDIC entered into a purchase and assumption agreement with Farmers & Merchants Savings Bank, Manchester, Iowa, to assume all of the deposits of Community National Bank.

The two branches of Community National Bank will reopen on Saturday as branches of Farmers & Merchants Savings Bank. Depositors of Community National Bank will automatically become depositors of Farmers & Merchants Savings Bank. Deposits will continue to be insured by the FDIC, so there is no need for customers to change their banking relationship in order to retain their deposit insurance coverage up to applicable limits. Customers of Community National Bank should continue to use their existing branch until they receive notice from Farmers & Merchants Savings Bank that it has completed systems changes to allow other Farmers & Merchants Savings Bank branches to process their accounts as well.

This evening and over the weekend, depositors of Community National Bank can access their money by writing checks or using ATM or debit cards. Checks drawn on the bank will continue to be processed. Loan customers should continue to make their payments as usual.

As of September 30, 2010, Community National Bank had approximately \$31.6 million in total assets and \$28.8 million in total deposits. Farmers & Merchants Savings Bank did not pay the FDIC a premium for the deposits of Community National Bank In



Congress created the Federal Deposit Insurance Corporation in 1933 to restore public confidence in the nation's banking system. It promotes the safety and soundness of these institutions by identifying, monitoring and addressing risks to which they are exposed. The FDIC receives no federal tax dollars — insured financial institutions fund its operations.

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addition to assuming all of the deposits of the failed bank, Farmers & Merchants Savings Bank agreed to purchase essentially all of the assets.

Customers who have questions about today's transaction can call the FDIC toll-free at 1-800-356-1848. The phone number will be operational this evening until 9:00 p.m., Central Standard Time (CST); on Saturday from 9:00 a.m. to 6:00 p.m., CST; on Sunday from noon to 6:00 p.m., CST; and thereafter from 8:00 a.m. to 8:00 p.m., CST. Interested parties also can visit the FDIC's Web site at <http://www.fdic.gov/bank/individual/failed/communitynatl.html>.

The FDIC estimates that the cost to the Deposit Insurance Fund (DIF) will be \$3.7 million. Compared to other alternatives, Farmers & Merchants Savings Bank's acquisition was the least costly resolution for the FDIC's DIF. Community National Bank is the 157th FDIC-insured institution to fail in the nation this year, and the eighth in Minnesota. The last FDIC-insured institution closed in the state was Community Security Bank, New Prague, on July 23, 2010.

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